(iv) Tariff value (base price) of palm oils was frozen in July, 2006 and crude soyabean oil was frozen since September, 2006.

(v) Crude and refined edible grade vegetable oils have been exempted from 4% SAD *w.e.f.* 1.3.2007.

(vi) Export of edible oils has been banned *w.e.f.* 17.3.2008 except coconut oil (through Cochin Port) and certain oils produced from minor forest origin.

(vii) In order to encourage production of solvent extracted oils in the country and to promote export of extractions, excise duty on food grade hexane has been reduced to 14%.

(viii) Compulsory use of indigenous oils in the manufacture of vanaspati has been removed *w.e.f.* 11.2.2008.

(ix) State Governments have been allowed to impose stock limits on edible oils and oilseeds *w.e.f.* 7.4.2008.

(x) In order to provide relief to the poorer sections of the society from the rising prices of edible oils, the Central Government has introduced a scheme for distribution of upto 10 lakh tons of imported edible oils in 2008-09 at a subsidy of Rs.15/- per kg. through State Governments at the rate of 1 kg. per ration card per month.

Rise in prices of essential commodities

†821. SHRI AJYA SINGH CHAUTALA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government is aware that there has been unprecedented rise in the prices of consumer goods being consumed by the common public;

(b) whether Government would set up a board to check price -rise and fix the prices of consumer goods; and

(c) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN): (a) Government is aware of the increase in prices of some essential commodities and has responded by taking several steps to stabilise prices and to soften the impact of price rise on consumers.

(b) No, Sir.

(c) Does not arise.

Rise in the prices of food items

†822. SHRI KRISHAN LAL BALMIKI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that there has been an unprecedented rise in the prices of food items in the country during the last two years;

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†Original notice of the question was received in Hindi.

(b) if so, the reasons therefor;

(c) whether it is also a fact that forward deals of foodgrains and the entry of private traders in the whole sale trading market has affected the prices and availability of foodgrains;

(d) whether it is also a fact that Multinational Food Cartels have played a crucial role in fixing high prices of foodgrains; and

(e) whether Government proposes to impose a ban on the trading of foodgrains by multinational food cartels in India and also on forward deals and purchase by private traders?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN): (a) and (b) Government is aware of the increase in prices of some essential commodities during the last two years. Rise in domestic prices is owing to the combined effect of factors such as, growing demand on account of increase in population and income, hardening of international prices, changes in consumption pattern, diversion of food grains for fuel, adverse weather and climate change, increase in crude oil prices, improvement in income and living standards and increase in freight rates. Due to many pro-active steps taken by the Government, India has been able to soften the impact of international price rise on domestic prices.

(c) and (d) In the context of discussion regarding whether and to what extent futures trading has contributed to price rise in agricultural commodities in recent times, the Government had set up an Expert Committee on 2-3-2007 under the Chairmanship of Professor Abhijit Sen, Member, Planning Commission to study, *inter alia*, the extent of impact, if any, of futures trading on wholesale and retail prices of agricultural commodities. Besides as a matter of abundant caution, the Government have suspended futures trading in eight commodities namely- urad, tur, wheat, rice, chana, rubber, potato and soy oil. The Expert Committee set up by the Government analyzed the daily, weekly and monthly data on price volatility (spot price). The analysis made by the Expert Committee led it to conclude as follows:

"Given these conflicting results from daily as against weekly and monthly data, no strong conclusion can be drawn on whether introduction of futures trade is associated with decrease or increase in spot price volatility".

The Expert Committee also analyzed annual growth rate in prices of sensitive commodities (food grains and sugar) in pre- future period and post future period and concluded that although inflation clearly increased post-futures in some sensitive commodities that have higher weight in consumer price indices, it is not possible to make any general claim that inflation accelerated more in commodities with futures trading.

The price of foodgrains is determined by various factors such as demand and supply situation, price of the commodity in international market, weather conditions and other factors. All these factors affect the price of a commodity directly or indirectly.

(e) As mentioned in the reply to part (c) and (d) above, as a matter of abundant caution, the Government have suspended futures trading in eight commodities namely - urad, tur, wheat, rice, chana, rubber, potato and soy oil. At present, there is no proposal to ban futures trading in additional commodities. Further, there is no ban on private traders from procurement of wheat and rice from the mandis.

However, a notification titled, "wheat (Stock Declaration by Companies or Firms or Individuals) Order 2008, has been issued under the Essential Commodities Act 1955 on. 11.2.2008. The order provided that any Company or Firm or individual which purchases wheat beyond 10,000 tonnes during 2008-09 shall furnish a return to Secretary, Food of the State from where maximum quantity has been purchased. A return for purchase of wheat beyond 25,000 tonnes is required to be furnished to the Central Government.

A similar notification titled "Rice (Stock Declaration by Companies or Firms or Individuals) Order 2008 has been issued under the Essential Commodities Act 1955 on 29.09.2008 for declaration of purchase of rice by private companies in Kharif Marketing Season 2008-09.

Price of pulses and foodgrains

823. SHRI P.R. RAJAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government has made any assessment of the price of pulses and foodgrains in the open market and under the Public Distribution System in the last one year;

(b) whether Government is considering any measures to improve the quality of the PDS in the country;

(c) whether more items would be allowed to be sold through the PDS; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN): (a) Prices of pulses and foodgrains are monitored by the Government. Prices of foodgrains (rice and wheat) under the PDS and in the open market (retail prices at Delhi centre) are indicated below:

(Rs. per kg.)

Commodity	APL	BPL	AAY	Retail Price at Delhi (as on 21.10.08)
Rice	8.30	5.65	3.00	22.00
Wheat	6.10	4.15	2.00	13.00

Among foodgrains, only rice and wheat are distributed through PDS, pulses are not distributed through the PDS.

(b) TPDS is operated under the joint responsibility of the Government of India and State/UT Governments. Government of India carries out procurement of foodgrains for the TPDS, their storage, transportation and allocation to the State/UT Governments. The responsibilities for allocation of foodgrains within State/UT, identification of eligible BPL & AAY families based on estimates of Planning Commission and issuance of ration cards to them, and supervision of distribution of allocated foodgrains to eligible ration card holders through the fair price shops rest with the State / UT Governments.

Government has been continuously taking steps to strengthen the TPDS by improving its efficiency. Government got the TPDS evaluated by PEO (Planning Commission) and ORG MARG.